



City Councilmember

# Carl DeMaio

News Release

## DeMaio Proposes Tax and Regulatory Relief for Small Businesses

*Unveils a Four-Point Initiative to Support Local Job Creation and Retention*

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SAN DIEGO –City Councilmember Carl DeMaio today unveiled a four-point proposal to support San Diego's small businesses and self-employed in the midst of a difficult economy. DeMaio's "Small Business Tax and Regulatory Relief Proposal" includes 1) Tax Relief, 2) Compliance Education and Outreach, 3) Public-Private Partnerships, and 4) Regulatory Relief.

"While politicians in Washington DC are focused on federal bailout packages for Wall Street and big business, no one is focused on Main Street and small businesses. That's why I'm proposing the City of San Diego enact a small business tax and regulatory relief package by April 15," commented DeMaio.

DeMaio outlined his plan at a press conference where he drew attention to complaints his office has received regarding the city's **Business Tax Certificate** and **Rental Unit Business Tax** programs. Approximately 75,000 business tax certificate holders are small businesses, comprising 92% of all certificate holders in San Diego. As some San Diegans are laid off from larger corporations, many are turning to self-employment to make ends meet—requiring them to pay this tax.

Most San Diegans are not aware of these two tax programs—and many small businesses and property owners are just now learning they are non-compliant. Due to new data sharing program being used by the City Treasurer, thousands of San Diegans are being sent delinquency notices—complete with late fees, penalties, and surcharges. Over 90,000 rental unit business tax unit notices were mailed January 9, with many hitting San Diegans' mailboxes today.

"Imposing fees and penalties is not the way to support the economy here in San Diego. The city should foster a more jobs-friendly and service-oriented environment," commented DeMaio.

DeMaio's proposal calls for the review of a hybrid tax amnesty/tax holiday program modeled after successful programs utilized by Los Angeles and Anaheim. Los Angeles expects to actually collect more revenue as a result of the program to cover its looming budget deficit. Anaheim incorporated innovative partnerships with its local Chamber of Commerce and utility company to support the success of its small businesses.

DeMaio, who has set balancing the city's budget as his top priority, is confident a tax relief package can be implemented that would be budget neutral—while supporting job creation.

For more information, visit [www.CleanUpCityHall.com](http://www.CleanUpCityHall.com). To schedule an interview, contact Erica Mendelson at 619-379-7468.

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